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Joint Inspection Unit

Financing for humanitarian operations in the United Nations system

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly his comments and those of the United Nations System Chief Executives Board for Coordination on the report of the Joint Inspection Unit entitled "Financing for humanitarian operations in the United Nations system" (JIU/REP/2012/11).

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Summary

In its report entitled "Financing for humanitarian operations in the United Nations system", the Joint Inspection Unit provided an overview of funding mechanisms and sources of humanitarian operations within the United Nations system, comparing or linking their objectives so as to close gaps and avoid duplication. The key recommendations contained in the report aim at providing a governance and strategic planning framework for financing humanitarian operations among the organizations of the United Nations system.

The present note provides the views of organizations of the United Nations system on the recommendations made in the report. They have been consolidated on the basis of input from member organizations of the United Nations System Chief Executives Board for Coordination, which welcomed the report and supported some of its conclusions.

I. Introduction

1. In its report entitled "Financing for humanitarian operations in the United Nations system", the Joint Inspection Unit provided an overview of funding mechanisms and sources of humanitarian operations within the United Nations system, comparing or linking their objectives so as to close gaps and avoid duplication. The key recommendations contained in the report aim at providing a governance and strategic planning framework for financing humanitarian operations among the organizations of the United Nations system, thus bringing about improved efficiency and accountability.

II. General comments

2. Organizations of the United Nations system welcome the report of the Joint Inspection Unit, particularly its recognition of the proliferation of funding mechanisms and humanitarian actors. They note that the report supports the integration of programme objectives set by and managed by different governance bodies both at Headquarters and at the country level.

3. While organizations welcomed the Unit's broad and realistic view of what humanitarian action constitutes in practice, from preparedness to early recovery, they also indicated that the report could have been strengthened in several ways. In particular, they noted that the report could have benefited from a discussion of the cash and in-kind contributions received from the private sector and individuals during major humanitarian crises, which can be significant. They also noted the rapid and flexible allocation modalities of the Central Emergency Response Fund, which can be particularly useful in emergencies for which official assistance is not requested by a Government but is nevertheless welcome.

4. Furthermore, the report could have benefited from an acknowledgement of the challenges of implementing holistic, multi-partner assessments and could have provided clarity on how efforts could be strengthened throughout the programme cycle by using reform efforts such as the transformative agenda, which was adopted by the Inter-Agency Standing Committee in an attempt to address gaps in leadership and accountability in order to improve coherence and the coordination of humanitarian efforts in the field, including by monitoring and reporting on strategic plans and targets of the Consolidated Appeals Process. Organizations suggest that, in its report, the Joint Inspection Unit could have made useful recommendations linking these efforts to the financing architecture. In addition, there are other references in the report that would benefit from further clarification, for example those related to leadership in the logistics and emergency telecommunications clusters.

5. With regard to paragraphs 75 to 77 and 79 of the report, which address funding for core humanitarian coordination activities, organizations note that while additional resources in support of the core coordination activities led by the Office for the Coordination of Humanitarian Affairs may be warranted, such resources should not come solely from the regular budget resources of the Office, which are limited, but also from the resources of organizations of the United Nations system that take part in the humanitarian and emergency response operations and benefit from the central role of the United Nations in coordinating activities in these areas.

6. Furthermore, organizations suggest that the associated costs of the coordination of activities in the field by the Office should also be borne by all the United Nations system entities that participate in the activities, either as direct or indirect costs, and should not be incurred solely by the Office. All costs that are identified and can be attributed directly to the implementation of specific projects, whether incurred in the field or at Headquarters, regardless of the type of activity, should be met as direct project costs as part of the project budget.

7. With regard to paragraph 188 of the report, which refers to procedures for unspent balances within multilateral trust funds, organizations note that any remaining balances of projects funded from resources of trust funds of the United Nations Secretariat should be disposed of at project completion, in accordance with the terms and conditions provided in the contribution agreements executed between the United Nations and donors. This ensures that the United Nations is not in breach of contract. It should be noted that even if the donor allows the remaining balances to be disposed of at the discretion of the United Nations, the programme manager is still required to ensure that those balances are utilized in accordance with the terms of reference of the trust fund and its purposes.

8. It should also be clarified that, unlike the Central Emergency Response Fund, the Emergency Response Fund or the Expanded Humanitarian Response Fund, the Common Humanitarian Fund is governed by the Multi-Partner Trust Fund Office modality and is not a United Nations fund. Thus, the Common Humanitarian Fund is not included in the United Nations financial statements pertaining to the Schedule of Individual Trust Funds. When the United Nations receives funds from the Common Humanitarian Fund to undertake activities, it follows the guidance of the Multi-Partner Trust Fund Office as agreed in the contribution agreement between that Office and the United Nations. Thus, the Common Humanitarian Fund is not governed by the financial regulations and rules of the United Nations, and its terms of reference are not within the purview of the Controller.

9. Organizations would welcome efforts stemming from this report to better integrate humanitarian aspects into broader, system-wide efforts to address the funding of operational activities. This is consistent with the underlying principle of a more comprehensive framework that facilitates bridge funding between humanitarian and development operations.

10. In addition, in its report, the Joint Inspection Unit underestimates the extent to which the United Nations has enhanced the Consolidated Appeals Process, which has become increasingly results-based, in recognition of this and other recommendations. Guidelines now require humanitarian country teams to state what their annual collective strategic objectives for their humanitarian action are, and to match them with specific and measurable indicators with targets and to monitor progress towards those objectives and indicators periodically. Similarly, at the more detailed cluster level, organizations working together in a technical sector have to state collective targets in terms of specific outputs (such as water points constructed, shelter units distributed etc.) and report on the implementation of those targets at the mid-year review of the appeal, as well as in a retrospective section in the following year's appeal review. The United Nations is now formalizing this monitoring framework, and will support its use in every major inter-agency humanitarian action.

11. Finally, in paragraph 85 of the report, the Joint Inspection Unit states that it recommended that CEB implement a results-based management approach to manage

resources in a coherent way (see "Towards a United Nations humanitarian assistance programme for disaster response and reduction: lessons learned from the Indian Ocean tsunami disaster (JIU/REP/2006/5)). In paragraph 86, the Unit stated that CEB had not yet implemented the recommendation. It should be clarified that the recommendation was made to the General Assembly, not to CEB.

III. Specific comments on recommendations

Recommendation 1

The Secretary-General should request the Emergency Relief Coordinator, in his/her role as Chair of the Inter-Agency Standing Committee, to ensure that the Consolidated Appeals Process is developed as an instrument to generate a strategic financial planning framework to: (a) meet the holistic resource requirements of disaster-affected countries for sustained assistance — from emergencies to early recovery, prevention, risk reduction and reconstruction — that are realistically assessed on a country-by-country basis for disaster-prone countries and countries in fragile situations; and (b) enable all humanitarian actors to participate in common evidence-based needs assessments to mobilize and deliver adequate resources on a timely, predictable and sustainable basis.

12. Organizations of the United Nations system support and welcome this recommendation. They note that the recommendation could be strengthened to clarify that efforts should be made to connect the Consolidated Appeals Process, where it exists, with other planning and fundraising instruments, not to extend it to every country with recovery needs.

13. Some organizations raised concerns regarding the feasibility and implications for implementation. Others noted the need to recognize that some humanitarian activities have expanded into non-traditional areas precisely owing to a lack of engagement by other actors, national counterparts and mechanisms. In that regard, the recommendation should have taken into account the need to pay more attention on how development partners and funds can integrate more "risk tolerant" programming to meet these needs.

Recommendation 2

The Secretary-General should increase transparency and accountability regarding the use of military assets directly provided as a last resort in support of affected populations by reporting more such cases and the resources mobilized in the budget performance reports on peacekeeping operations to the General Assembly, as well as in the periodic reports on the protection of civilians to the Security Council.

14. While some organizations of the United Nations system support his recommendation, others note that the utilization of military equipment and assets is in accordance with the mandates of the General Assembly and reported on accordingly in the performance reports, based on approved standards and requirements. The same applies to military resources utilized in support of humanitarian assistance activities, when the circumstances warrant such utilization, pursuant to careful evaluations and decisions. Therefore, transparency and accountability on the use of resources already exists throughout the reporting cycle.

Recommendation 3

The General Assembly should mandate the Secretary-General to present, with the support of the Inter-Agency Standing Committee, a proposal on a set of good humanitarian funding principles advocating soft earmarking and a participatory approach, taking into account the good practices in the inclusive programme-based management and governance arrangements of the Common Humanitarian Fund at the country level and the experience gained through the Good Humanitarian Donorship initiative.

15. Organizations of the United Nations system support and welcome this recommendation.

Recommendation 4

The Secretary-General, with the support of the Office for the Coordination of Humanitarian Affairs and the United Nations Development Programme (UNDP), in association with the international financial institutions, should develop guidelines for convening and organizing relief and reconstruction conferences to ensure that funds are committed to emergency-stricken countries, including to under-funded and/or neglected humanitarian crises, in compliance with the principles of impartiality, neutrality, independence and humanity.

16. Organizations of the United Nations system support and welcome this recommendation. They note, however, that securing voluntary contributions from donors for emergencies in an efficient and needs-based way goes beyond organizing pledging conferences. Each year, there are about 20 major protracted crises in the world, as well as several sudden-onset major disasters. Donor fatigue would quickly set in if the United Nations convened pledging conferences for each. Organizing one pledging conference for multiple crises too has practical constraints. Nonetheless, the United Nations is developing a workplan for a more comprehensive system-wide advocacy for resource mobilization, in which donor conferences will have a part.

Recommendation 5

The Secretary-General should request the Emergency Relief Coordinator to task the Inter-Agency Standing Committee to establish system-wide general guidelines on the establishment, replenishment and provision of agency-specific emergency and recovery funds and reserves so as to enable the humanitarian and other assistance organizations concerned to extend quick and timely assistance, and bridge the gap between the commitment and mobilization of the funds required.

17. Organizations of the United Nations system welcome the spirit of this recommendation. They recognize the significance of system-wide general guidelines for agency-specific mechanisms that are important complements to external sources of funding, whether they are from bilateral sources or pooled funds. They note, however, that challenges exist in terms of implementing such a recommendation given the different legislative and governing bodies of each entity, taking into account agency specific mandated activities.

Recommendation 6

The General Assembly, on the basis of a report of the Secretary-General, should adopt a capacity-building policy to assist disaster-affected countries in developing national disaster insurance schemes, taking into account pioneering work initiated by the Islamic Development Bank, the International Fund for Agricultural Development, the Pan American Health Organization, UNDP, the World Food Programme and the World Health Organization.

18. Organizations of the United Nations system support and welcome this recommendation.

Recommendation 7

The Secretary-General, as Chair of CEB, assisted by the Office for the Coordination of Humanitarian Affairs and the United Nations Development Group, should promote the development of harmonized humanitarian portfolio databases applicable at the country level, bridging UNDP and the Office, as well as international financial institutions and multilateral development organizations.

19. Organizations of the United Nations system welcome this recommendation and appreciate the promotion of harmonized humanitarian portfolio databases throughout a wider range of institutions and types of interventions. They note, however, the need to recognize the primacy of the Financial Tracking Service in this respect and to avoid the development of databases at the country level that would duplicate its functions and mandate.

20. Organizations also note that since the Financial Tracking Service relies on voluntary reporting by agencies and donors it is important for donors and agencies to continue to fulfil existing commitments regarding regular information-sharing through the Service. Furthermore, organizations note that the report implies that there is a need to look beyond reporting income against humanitarian funding requirements and that humanitarian assistance would benefit from more powerful information management for all aspects of coordinated action on humanitarian assistance. Organizations support this approach. Organizations of the United Nations need to capitalize on the latest information technology and bring together existing but loosely connected systems to create a powerful tool that tracks: (a) details of where humanitarian needs are greatest in any major crisis; (b) who will act to cover which needs, for which people and in which locations; (c) funding requirements, including how much funding has been attracted to meet responsibilities; and (d) what has been done to meet targets. Organizations of the United Nations system support the building of such systems.

Recommendation 8

The Secretary-General, as Chair of CEB, assisted by the Office for the Coordination of Humanitarian Affairs, UNDP and the United Nations Development Group, should support, where feasible, the establishment of joint management units at the country level to ensure cost-effective, accountable and systematic management and harmonize processes, reporting data formats and methodologies on humanitarian and related development projects.

21. Organizations of the United Nations system support and welcome this recommendation. They note, however, that the recommendation may be rather ambitious. The establishment of a joint management unit may imply that such a unit will also coordinate the processes that lead to the raising of funds, including project conceptualization, proposal preparation and negotiation of all stand-by agreements. This may not be feasible given the nature of humanitarian contexts. This notwithstanding, organizations note that such a structure would best be located within the United Nations country team secretariat and fall under the direct supervision of the resident coordinator or humanitarian coordinator.